

Handling Non-Sufficient Funds Checks and Credit Card Receipts

County Records Conference
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NSF Checks

- Receive Check
- Issue Receipt and post receipt in cash book
- Recorder's bank account is debited
- Receive notice and check back from bank

WHAT NOW?

Go To Your Policy

- Procedures to give notice to the Prosecuting Attorney
- Collection Procedures
- Reconciliation Procedures
- Bad Debt Write Off Process

Notice to the Prosecuting Attorney

IC 36-1-8-13 states: "A unit that is unable to obtain payment of a dishonored check shall, not later than ninety (90) days after the check is initially received by the unit, refer the matter to the prosecuting attorney for the county where the dishonored check was received for prosecution." (Our emphasis)

Collection Procedures

- Collect prior to new recordings from the same client
- Telephone calls documented on a log
- Letters
 - Recorder
 - County Attorney
 - Prosecuting Attorney
- Small Claims
- Bankruptcy Claim Filings

Reconciliation Procedures

- Make adjustment to bank statement balance for the NSF check
- Retain the check or a copy of the check and reference the original receipt
- Adjust for other outstanding items
- Every adjustment to the bank balance must be supported by documentation
- Adjusted bank balance should equal cash book balance

Bad Debts and Uncollectible Accounts

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible.

Bad Debt Write Off Policies

- Written
- Adopted by the county council or board of county commissioners or both
- Include:
 - Verification of efforts to collect
 - Appropriation by county council
 - Claim to Auditor
 - Claim Approval by board of county commissioners

Final Entry in the Records

- Receive check from county auditor
- Deposit check
- Remove the adjustment for NSF check from bank reconciliation
- Prepare remittance and Report of Collections as normal at the end of the month.

Credit Card Acceptance

IC 36-1-8-11

Fees may be received by any of the following financial instruments that the county council authorizes for use:

- | | |
|----------------|--|
| 1. Cash | 5. Bank Card, Credit Card, |
| 2. Check | Debit Card |
| 3. Bank Draft | 6. Electronic Funds Transfer |
| 4. Money Order | 7. Any other financial instrument authorized |

Associated Fees

- If there is a charge to the political subdivision for the use of a financial instrument, the political subdivision may collect a sum equal to the amount of the charge from the person who uses the financial instrument.
- The political subdivision may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards.
- The political subdivision may pay any applicable bank card or credit card service charge associated with the use of a bank card or credit card.

Accounting for credit card receipts

- Receipts indicate credit card
- Daily reconcile cash and check to prepare deposit
- Daily total credit cards to be electronically deposited
- Daily credit card totals outstanding are adjustment to bank statement balance for monthly reconciliation

Accounting for credit card receipts (Continued)

- Optional – Daily on-line banking
- You cannot remit to county auditor until electronic deposit of credit cards is in bank account
- Outstanding items that are supported by documentation are acceptable.

Accounting for Service Charges

- Service charges may be removed from your bank account
- You will have to process a claim to recoup these costs against the proper budgeted line item for these charges each month.
